



MEDCOENERGI 

1Q12 Investors' Update

PT Medco Energi Internasional Tbk.

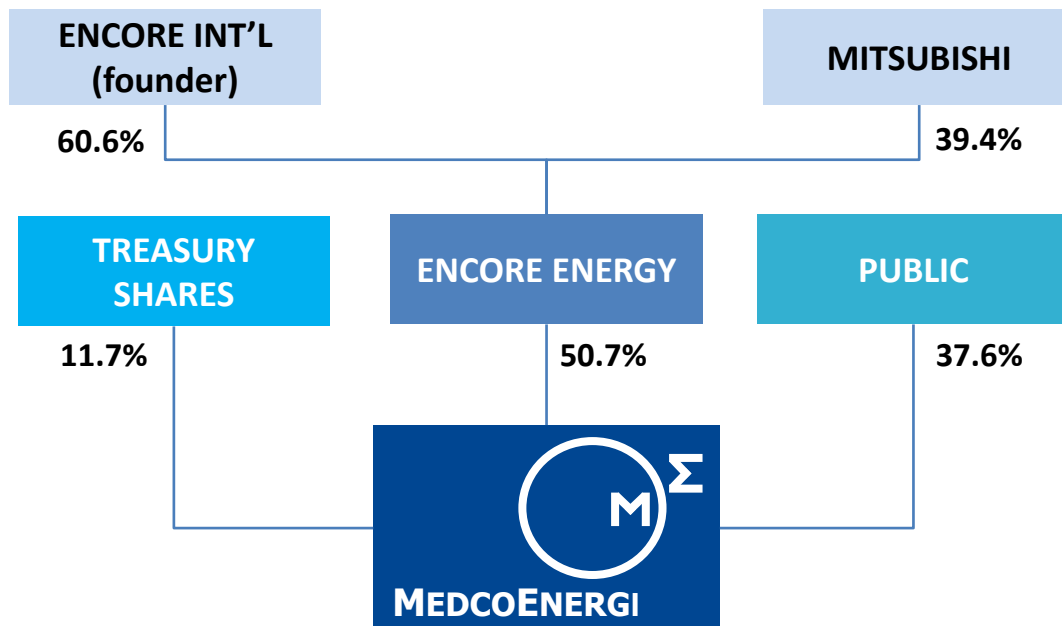
June, 2012 | www.medcoenergi.com | Energy Company of Choice

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01

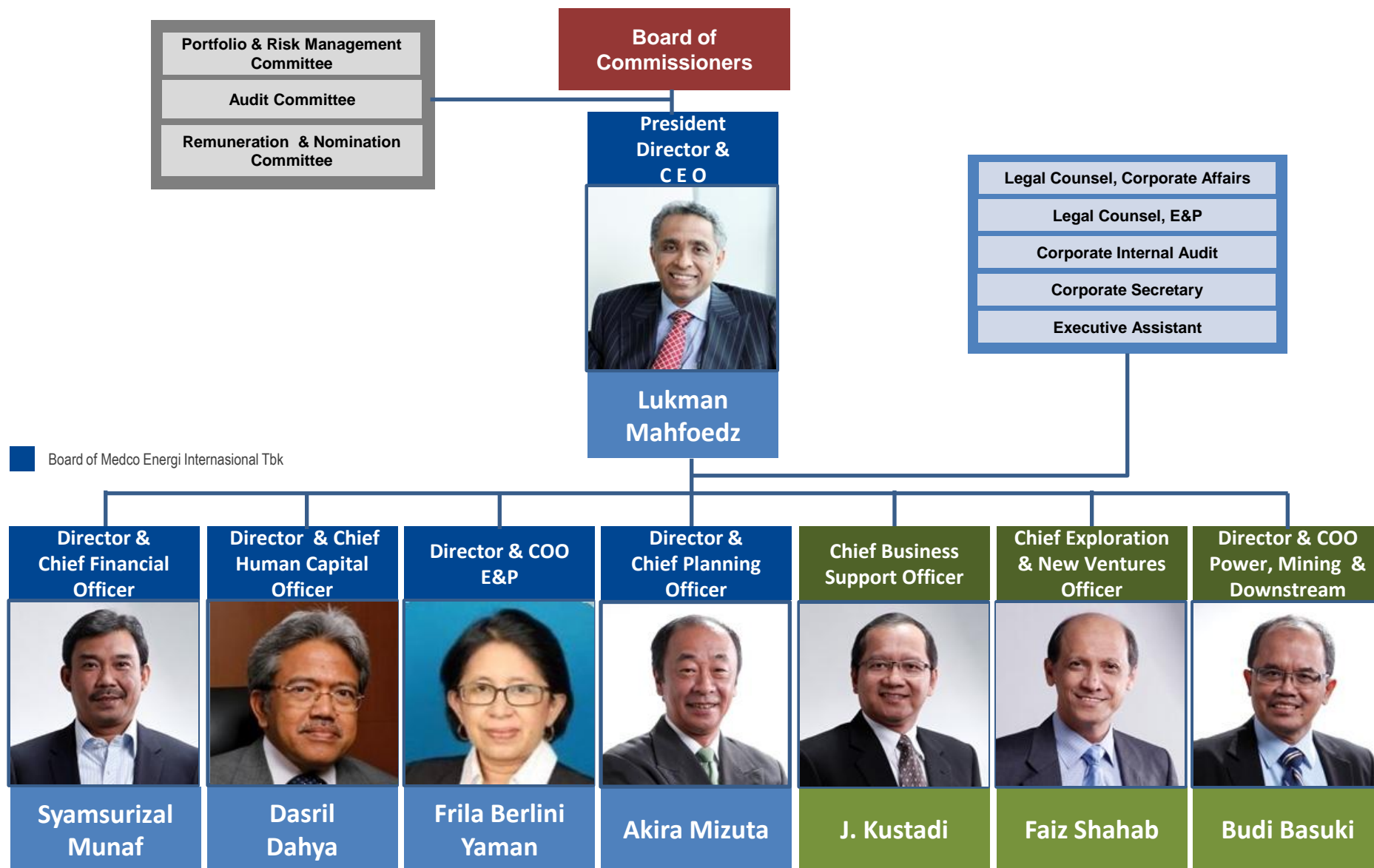
The Overview: Profile & Assets Portfolio



PT Medco Energi Internasional Tbk. is a publicly listed integrated energy company with focus in exploration and production of oil and gas business. MedcoEnergi also has other energy related businesses in Liquefied Petroleum Gas, bio-ethanol, and involved in trade and distribution HSD, and operates some power plants and supplies electricity to the Perusahaan Listrik Negara (PLN).

Stockholder Composition	1Q12	%
Encore Energy Pte. Ltd.	1,689,393,006	50.70
Public	1,252,603,944	37.58
Treasury Shares	390,454,500	11.72
Total	3,332,451,450	100.00

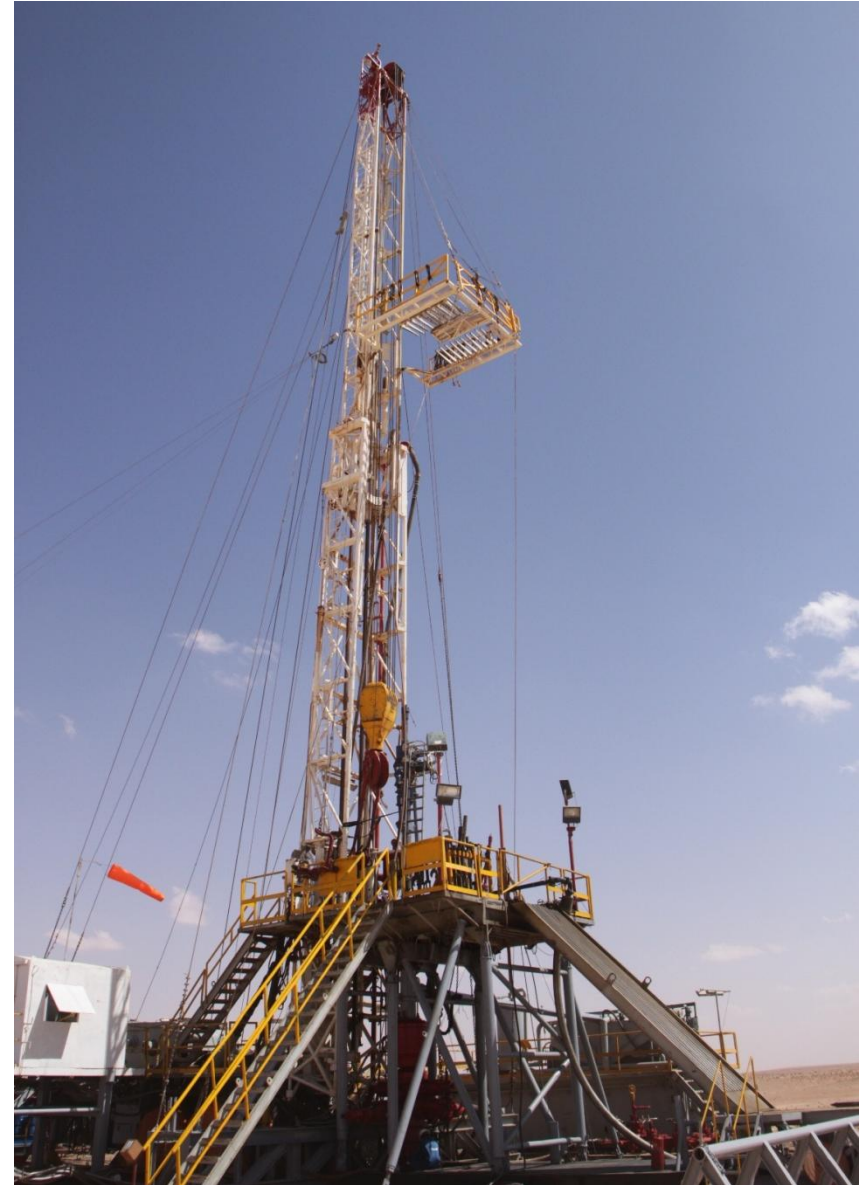
Medco Energi Internasional Tbk. Organization Structure

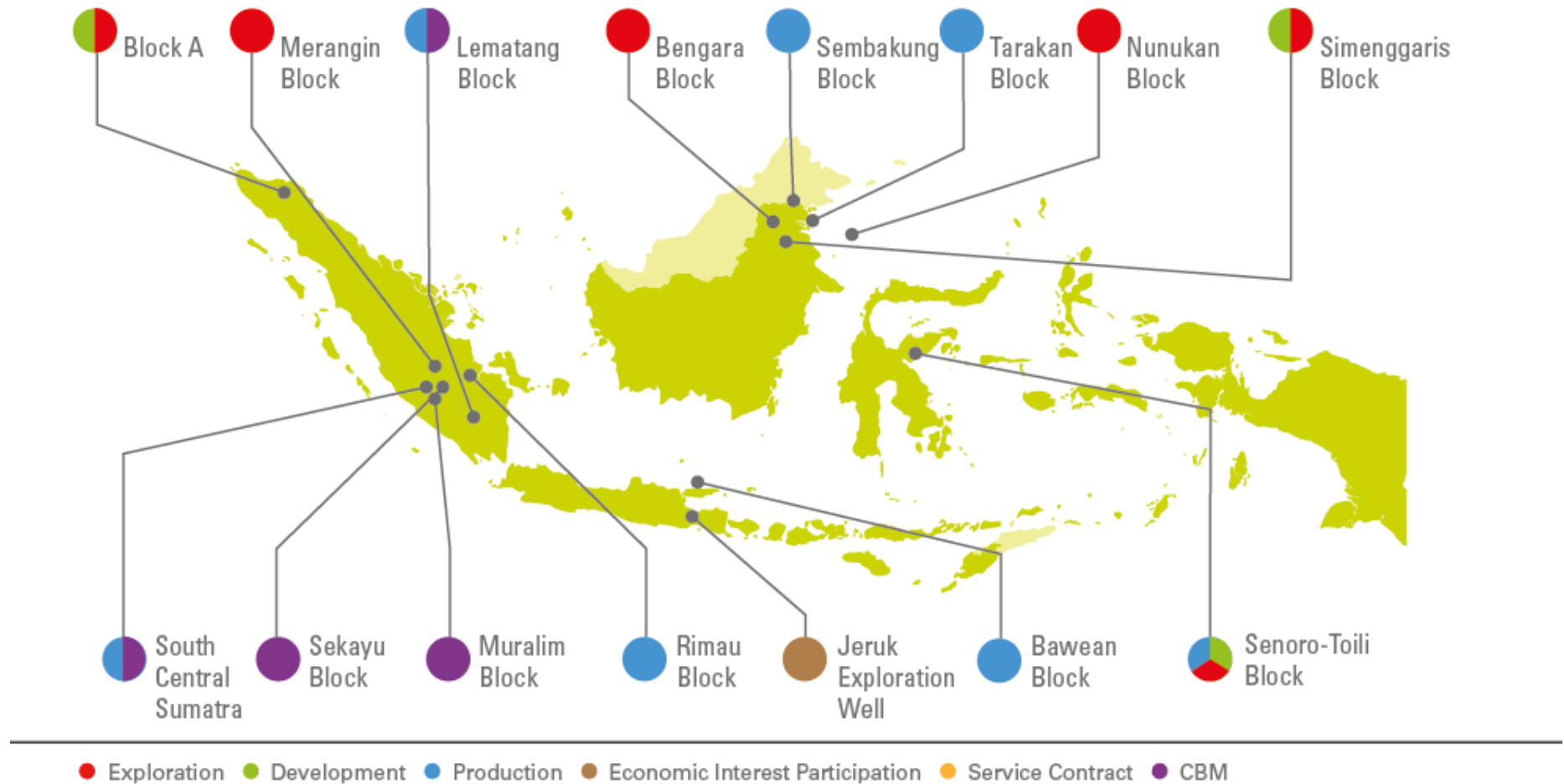


Board of Medco Energi Internasional Tbk

Our Business Strategy

- Strengthen the portfolio of producing assets, including acquisitions.
- Increase the reserve life index through exploration activities.
- Complete all Major Projects as planned
- Accelerate the growth of non-oil and gas assets through strategic partners.





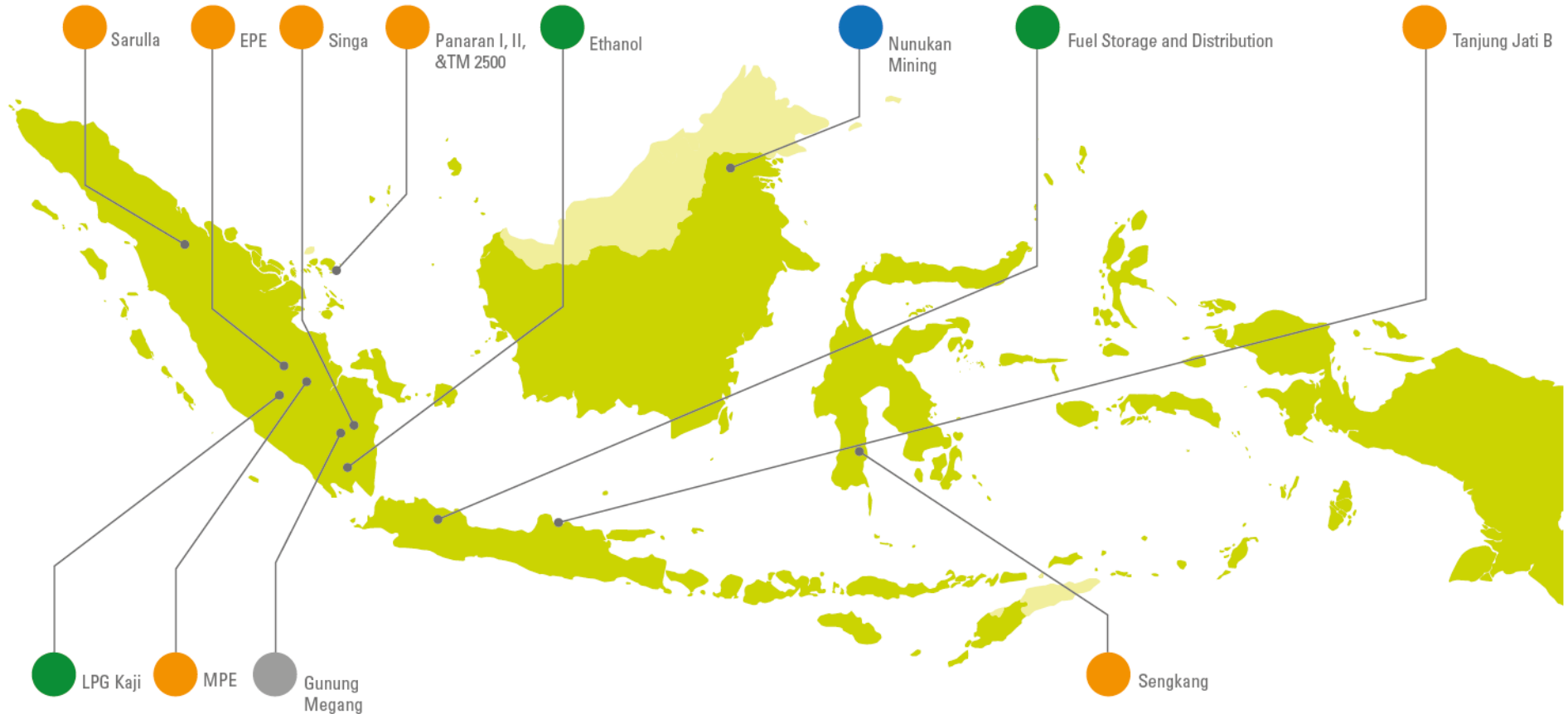
In Indonesia, Medco operates 10 blocks, maintains working interests in 3 blocks operated by strategic partners, and holds economic participating interest in an exploration field.

“Large portfolio, domestic and international, offers diversification of opportunities and risks across broader geological formation.”



Medco's international operations spread across 10 assets in Asia, Africa, and the US.

“Other revenue streams not only further diversify risks but also monetize upstream assets by midstream and downstream integration.”



● Power ● Downstream ● Mining ● Gas



MEDCOENERGI
Downstream



Downstream

- LPG plant in Rimau, South Sumatra, with capacity of 73,000 ton/year -- processing associated gas from Rimau block
- Ethanol plant in Lampung, with capacity of 180 kL/day
- HSD storage and distribution, with storage capacity of 22,700 kL



MEDCOENERGI
MINING



Coal Mining

- Operates two Mining Rights at Nunukan, East Kalimantan. Production started in February 2012
- 1 Block still in exploration phase, target for production in 2013
- Peak production estimated at 500,000 ton per year



MEDCOENERGI



Gas Pipeline

- Booster Compressor and 17.5km pipeline at Gunung Megang South Sumatra

Drilling Services (EPI)

- Provide well services / workover rigs and Electric Wireline Logging (EWL) for oil & gas operations



MEDCOENERGI
Power

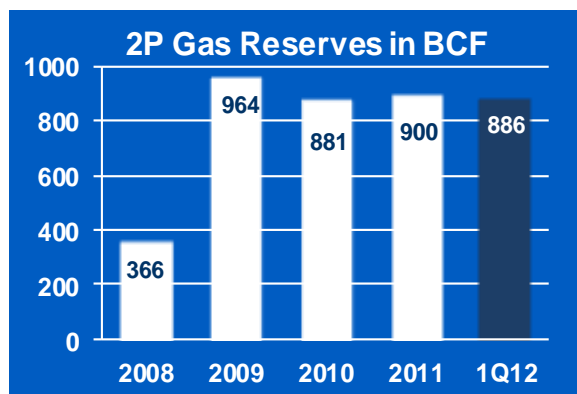
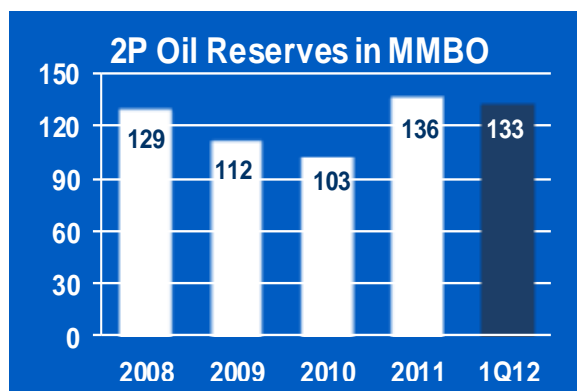


Power

- 2 gas-fired power generation plants with a mobile truck mounted power plant in Batam and 3 gas-fired power generation plants in South Sumatra with total capacity of 189.5 MW
- 1 Operation & Maintenance Contract in Tanjung Jati B Coal Plant, C. Java 1,320 MW

02

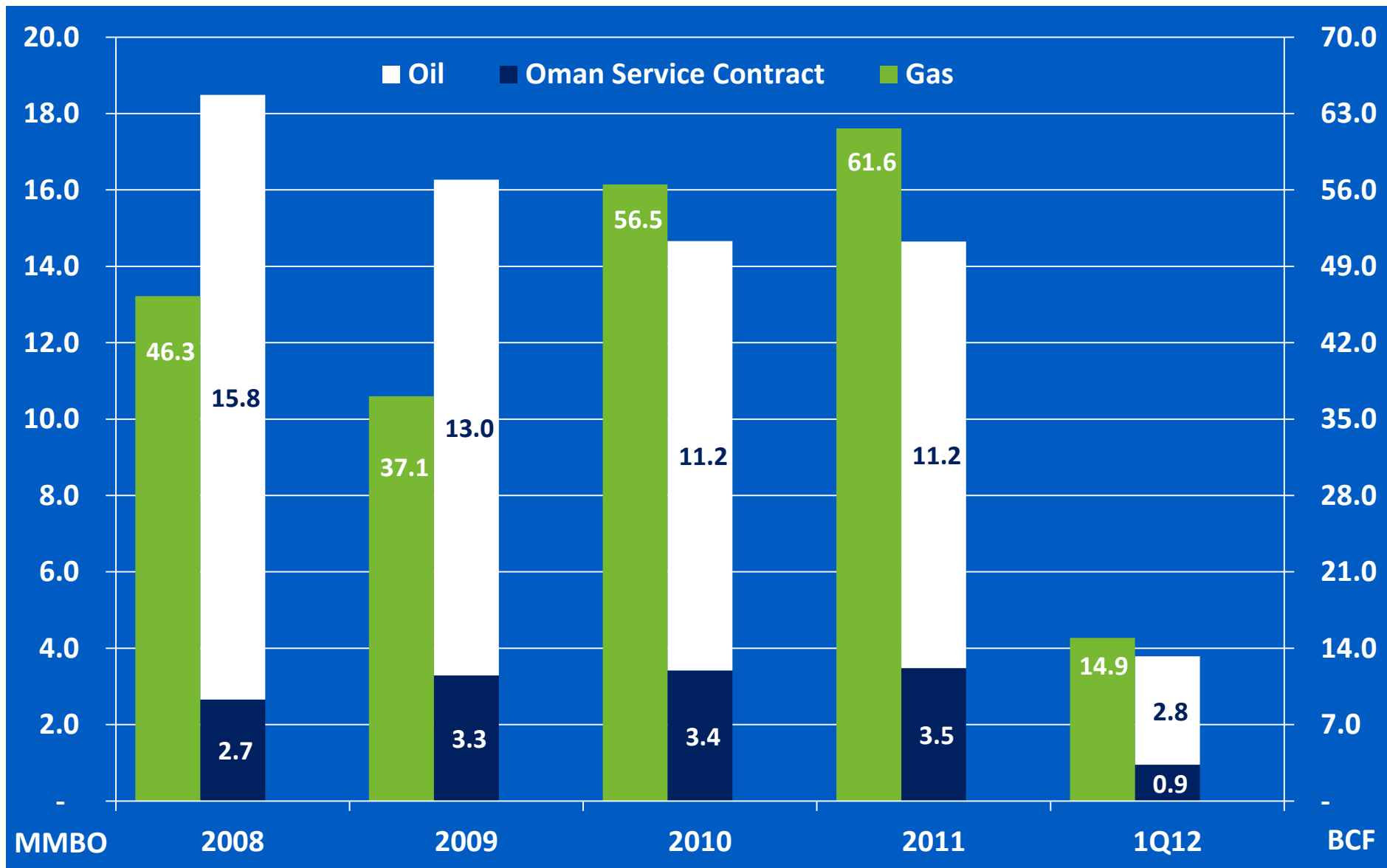
Business Performance: Operational & Financial KPIs



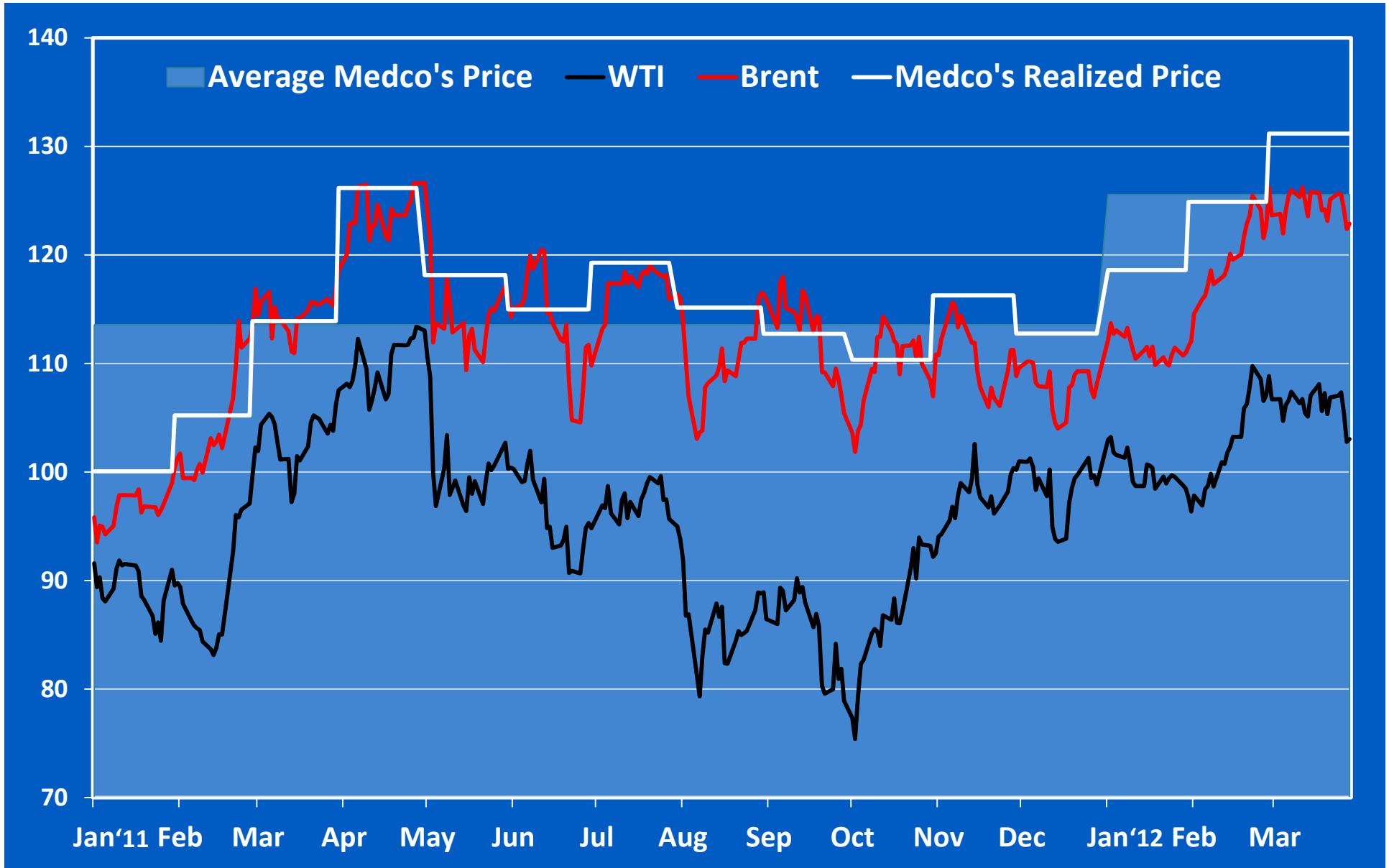
Oil and Gas E&P	1Q11	1Q12	Δ%
Proven Reserves - 1P (MMBOE)	196.3	202.8	3.3
Proven and Probable Reserves - 2P (MMBOE)	248.4	284.4	14.5
Oil Lifting / MBOPD	27.5	29.2	6.2
Oman Service Contract / MBOPD	9.3	10.4	12.5
Gas Sales / MMCFD	157.7	155.3	(1.5)
Total Oil and Gas* (MBOEPD)	63.7	66.1	3.9
Average Oil Price, USD/barrel	106.6	125.0	17.3
Average Gas Price, USD/mmbtu	3.7	3.9	4.3
LPG Sales / MT per day	41.7	40.6	(2.7)
LPG Price/ USD per MT	802.6	972.4	21.2
Non-Oil and Gas	1Q11	1Q12	Δ%
HSD Sales (000 KL)	42.2	70.1	66.3
HSD Price (Rp/KL)	7,681	8,133	5.9
Ethanol Production (KL)	2,718	938	(65.5)
Ethanol Price (USD/MT)	607	798	31.5
Electricity Generation (GWh)	309	320	3.6

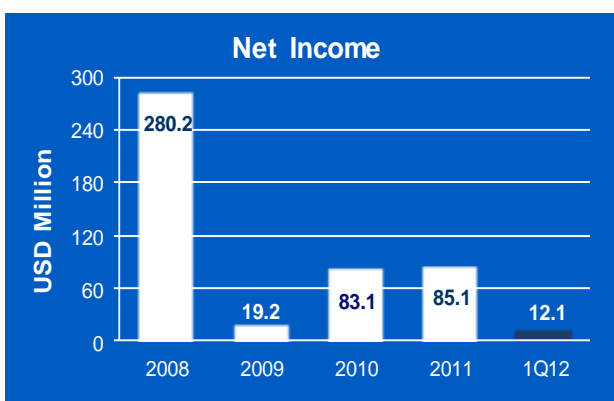
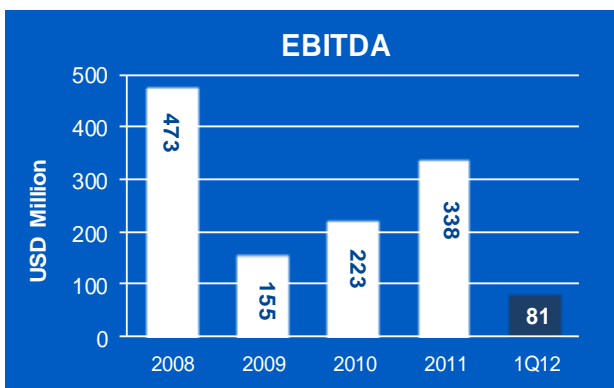
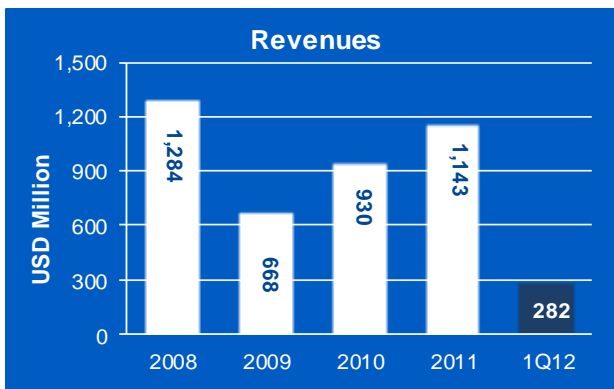
*Including Oman Service contract

Historical Oil & Gas Production

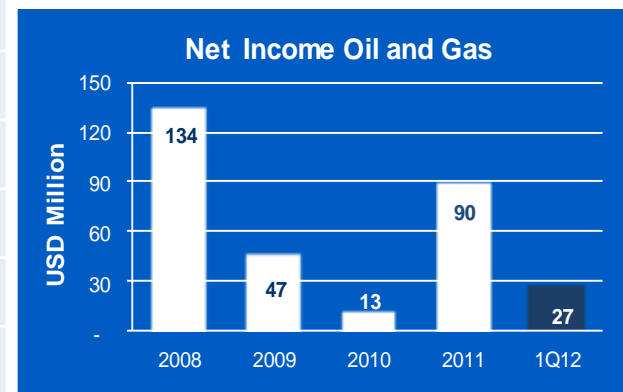
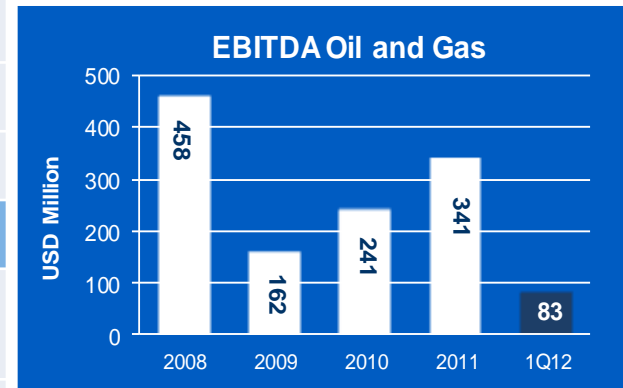
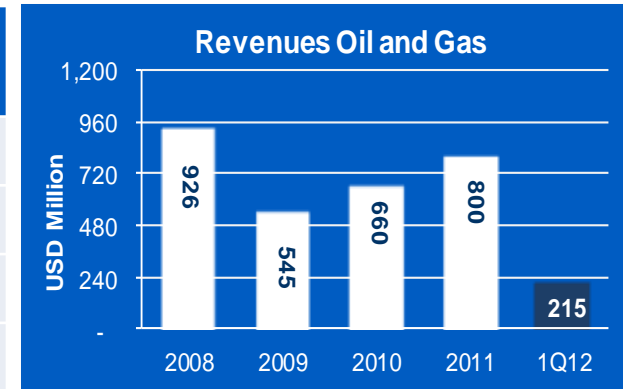


Oil Price Comparison



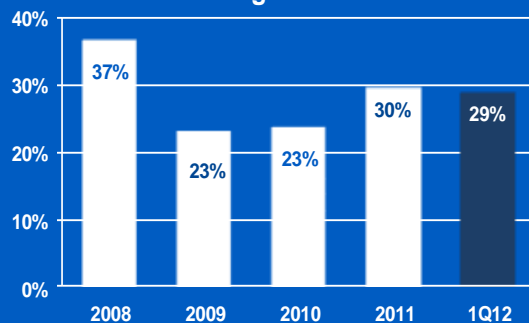


Financial Highlights (USD mm)	1Q11	1Q12	Δ%
Revenue	255.1	282.2	10.6
• Oil and Gas	191.8	214.5	11.8
• Non Oil and Gas	63.3	67.7	6.9
Gross Profit	89.4	91.8	2.7
Operating Income	53.1	56.9	7.1
EBITDA	80.7	81.2	0.7
Earnings Before Tax	28.9	44.2	53.0
Net Income*	9.8	12.1	22.9
Cash and Cash Equivalents	300.3	632.8	110.7
Total Assets	2,587.4	2,535.1	(2.0)
Total Liabilities	1,419.8	1,666.9	17.4
Equity*	824.4	857.5	4.0
Market Capitalization	1,100.1	780.5	(29.1)
EPS (USD/share)	0.0033	0.0041	24.2
Capex	29.9	27.2	(9.3)

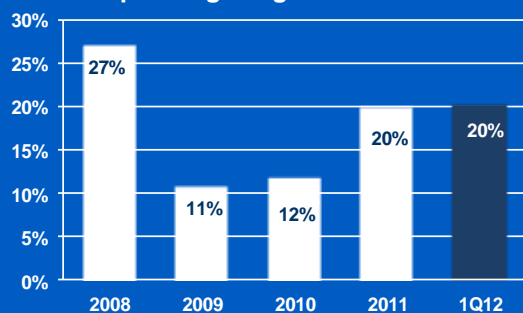


*Attributable to Equity holders of the parents

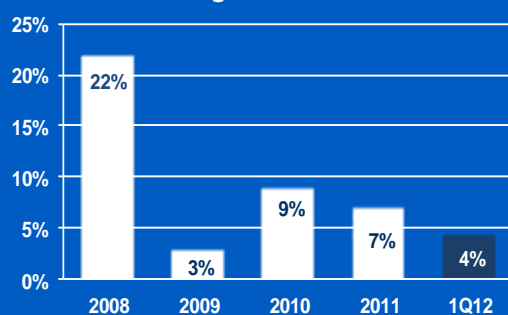
EBITDA Margin Consolidated



Operating Margin Consolidated



Net Margin Consolidated



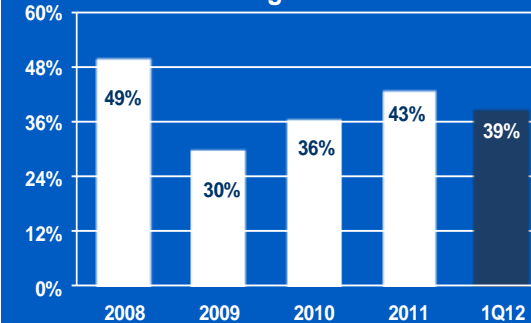
Profitability Ratios (%)	1Q11	1Q12	Δ%
Gross Margin	35.1%	32.5%	(7.2)
EBITDA Margin	31.6%	28.8%	(8.9)
Operating Margin	20.8%	20.2%	(3.1)
Net Margin	3.8%	4.3%	11.1
Return on Equity - Annualized	4.8%	5.6%	18.2

Efficiency Ratios (x) – Ann	1Q11	1Q12	Δ%
Revenue/fixed assets	0.93	1.20	29.0
Revenue/net working capital	2.27	2.25	(0.9)

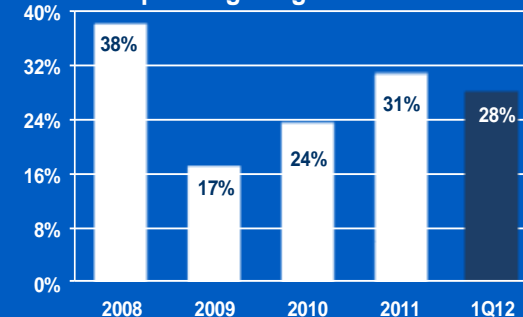
Investment Ratios (x)	1Q11	1Q12	Δ%
CapEx/Revenue	0.12	0.10	(18.0)
CapEx/Depreciation	1.08	1.11	2.7

Capital Structure (x)	1Q11	1Q12	Δ%
Net debt/total equity	0.83	0.72	(12.6)
Net debt/(net debt + equity)	0.45	0.42	(7.3)

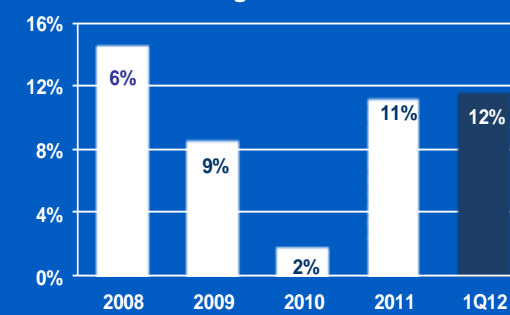
EBITDA Margin Oil and Gas



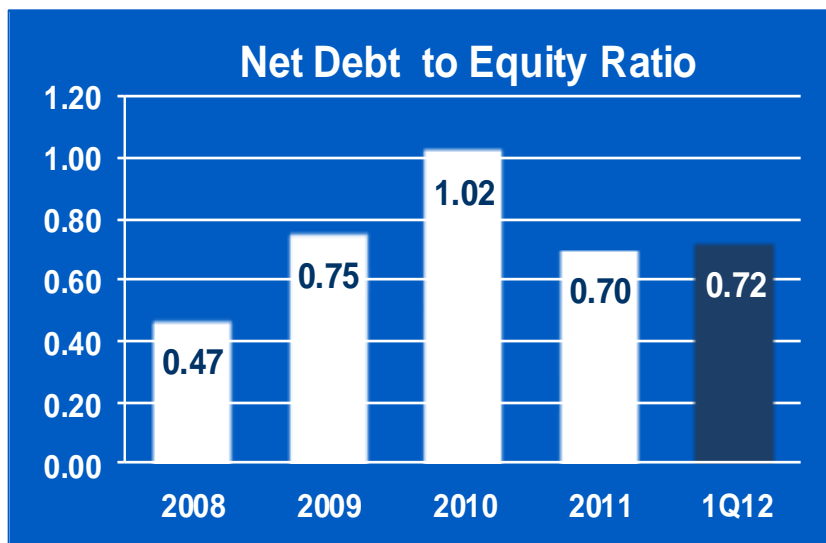
Operating Margin Oil and Gas



Net Margin Oil and Gas



CONSOLIDATED DEBTS (in USD mn)	1Q11	1Q12	Δ%
A. Total Bank Loans	660.0	864.3	31.0
Current	169.4	385.3	127.4
Non Current	490.5	479.1	(2.3)
B. Other Obligations	321.2	387.6	20.7
Current: MTN	67.8	21.4	(68.4)
Rupiah Bonds	-	55.8	n.m.
Non Current: Related Party	-	83.5	n.m.
MTN	81.7	40.4	(50.6)
Rupiah Bonds	171.7	107.1	(37.6)
USD Bonds	-	79.4	n.m.
Total	981.1	1,252.0	27.6

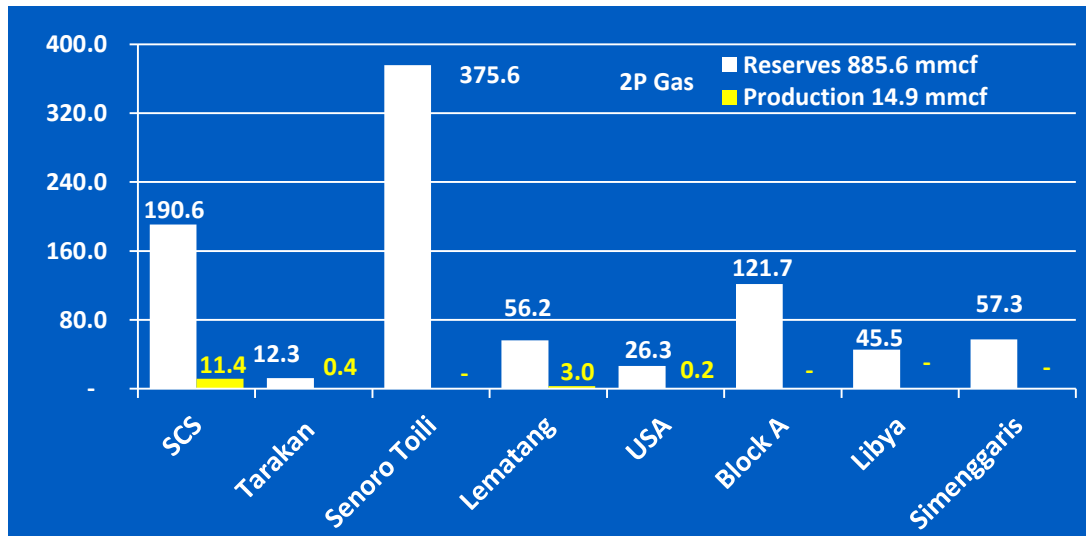
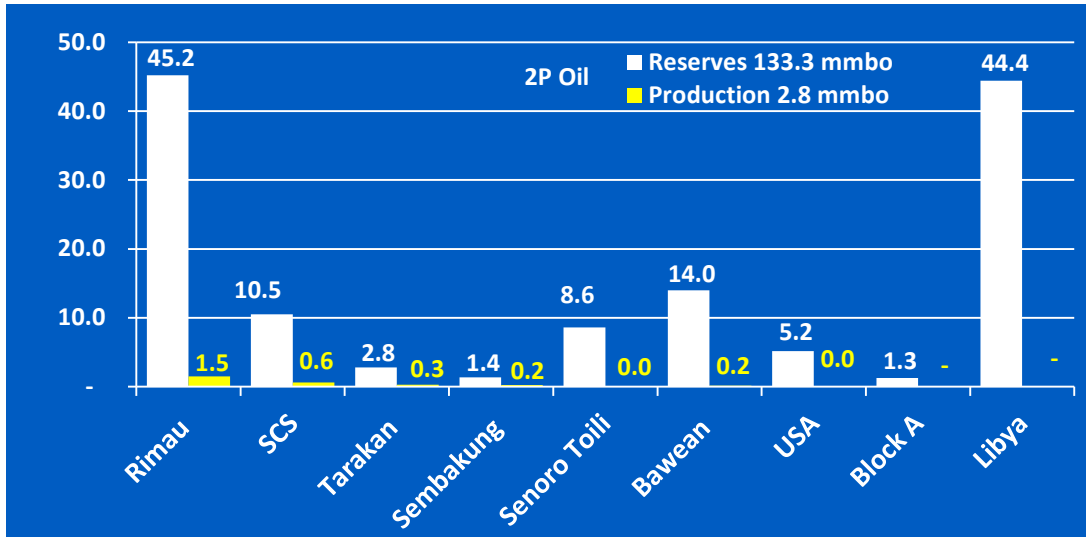


Liquidity & Solvability (x)	1Q11	1Q12	Δ%
Cash Ratio	0.60	0.87	45.1
Quick Ratio	1.60	1.48	(7.3)
Current Ratio	1.90	1.69	(11.0)
Debt to Equity Ratio	1.19	1.46	22.7
Net Debt to Equity Ratio	0.83	0.72	(12.6)
Total Liabilities/Total Equity	1.72	1.94	12.9
Coverage Ratios (x)	1Q11	1Q12	Δ%
Interest Coverage Ratio	4.33	4.22	(2.4)
Net debt/EBITDA - Annualized	2.11	1.91	(9.7)

03

Business Development: Reserves and Capex

“The combination of oil and gas reserves on Medco’s portfolio will help sustain production life for years to come”



❖ **2P or Proven and Probable reserves:**

Reserves claimed to have a lower certainty (at least 50% confidence) of being produced due to operational, contractual, or regulatory uncertainties. For 1Q12, the addition of reserves from Libya and Simenggaris has increased the 2P Oil and Gas reserves to 133.3 mmbo and 885.4 mmcf respectively.

❖ As of 1Q12, both Medco’s 2P reserves are comprised of **47% oil** and **53% gas**.

→ Most of 2P reserves and Contingent Resources are **technically proven** – conversion to proven reserves is pending certain milestones of commerciality factors e.g. government approvals, final POD etc.

- Libya-47
- Senoro Toili
- Bangkanai
- Simenggaris

Contingent Resources

110.9
MMBOE
 54% oil, 46% gas

“During the next 3 years Medco will spent substantial amount of Capex to start develop its Major Projects following the approval of their Final Investment Decisions.”

E&P CAPEX	2010	2011	2012 F	2013 F	2014 F	3-YR F
Exploration Capex	38.5	46.5	19.9	27.4	33.3	80.6
Development Capex	88.4	96.6	205.2	386.2	375.4	966.8
TOTAL E&P CAPEX	126.9	143.2	225.1	413.6	408.7	1,047.4
Non E&P Capex	17.0	13.2	46.2	10.4	0.3	56.9
TOTAL CAPEX NET	143.9	156.3	271.3	424.0	409.0	1,104.3

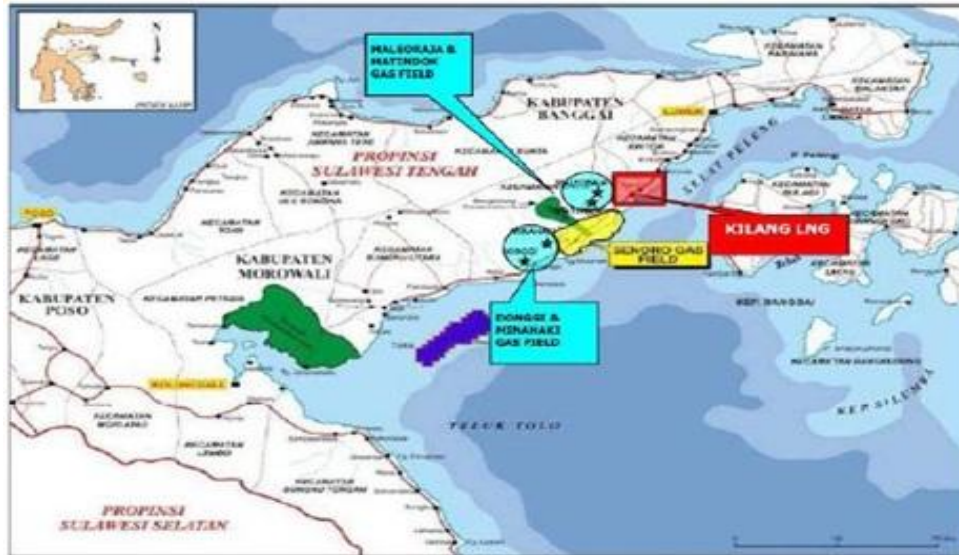
*Preliminary figures, subject to change

04

Highlights: Asset Development Projects



PROJECTS	TARGET Start-Up	Project Descriptions	% Ownership	Partners
Senoro	2014	Gas field development up to 310 MMscfd	30%	Pertamina, Tomori E&P Ltd
DSLNG	2014	LNG plant , single train of 2.0 mtpa capacity	11.1%	Pertamina, Mitsubishi
Libya 47	2015	Oil field development of 50,000 - 100,000 bopd	50%	Libyan Investment Authority (LIA)
Block A	2014 - 2016	Gas field development up to 110 MMscfd	41.67%	Premier, Japex
Rimau EOR	2015	Oil field - Enhanced Oil Recovery	95%	PD-PDE



Illustration

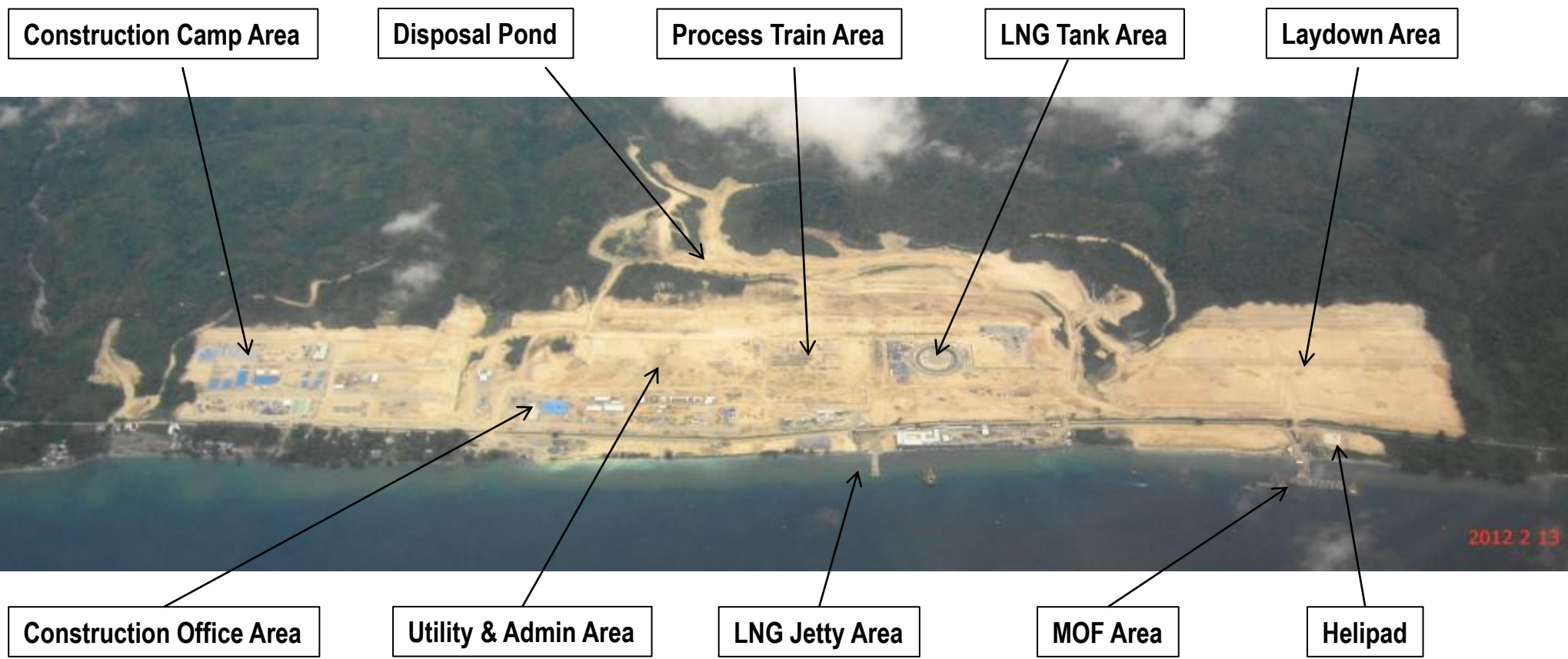
Objective: Commercialize 1.96 TCF of gross 2P reserve and contingent gas resources through LNG product

Upstream:

- ❖ Scope: Build 310 MMSCFD plant, target 3Q 2014
- ❖ Status:
 - FID Approved. Obtain POD approval in May 2011.
 - AFE approved on Feb 2012
 - EPC Re-tender ongoing, target to award / LOI issuance by July 2012
 - CPP & Jetty Land Acquisition substantially complete, site preparation work is progressing well.

Downstream:

- ❖ Scope : Build 2.1 MT per annum LNG facilities, target first LNG to buyer by 4Q 2014.
- ❖ Status:
 - Commence LNG EPC contract on 28 Feb 2011
 - EPC progress currently 49% (10% ahead of schedule)
 - Project Financing with JBIC and/or export credit agencies are under negotiation.





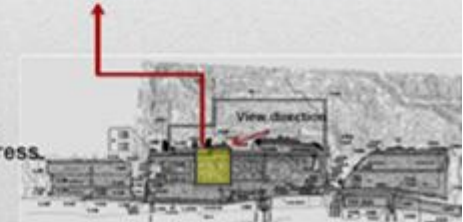
A000 : Process Train Area

- Main PR Columns & Beams
- Sub rack formworks & rebar and concrete works
- Steel Structure erection
- Manhole & GRE U/G Pipe works
- Unit S/S & LER-1 Bldg Rebar and formworks
- Equip. fdn concrete work (MCHE&Compressors)



B000 : Utility Area

- Pipe rack columns & beams.
- MSR & Main S/S foundation work in progress.
- FW & UTL/PW Tank foundation works in progress.
- EDG & GTG Foundation works in progress.
- Sewer MH work in progress.



C300 : 071-TK-1001 [LNG Tank]

- Prefabrication of roof support & roof block assembly in progress.
- Rebar works, Formworks, & Concrete casting for PC Wall, 1st lift in progress.
- Roof Support & Preamsembled Roof installation in progress.



D130 Area Pipe Sleeper

- Excavation of sleeper fdn in progress



C100 Pipe rack

- Steel STR erection work in progress.





E130 : Admin Building Area
- Foundation Work, Rebar & Form Works.



E000 : Building Area
- FW Main header piping work
- Sewer piping work road closing part.

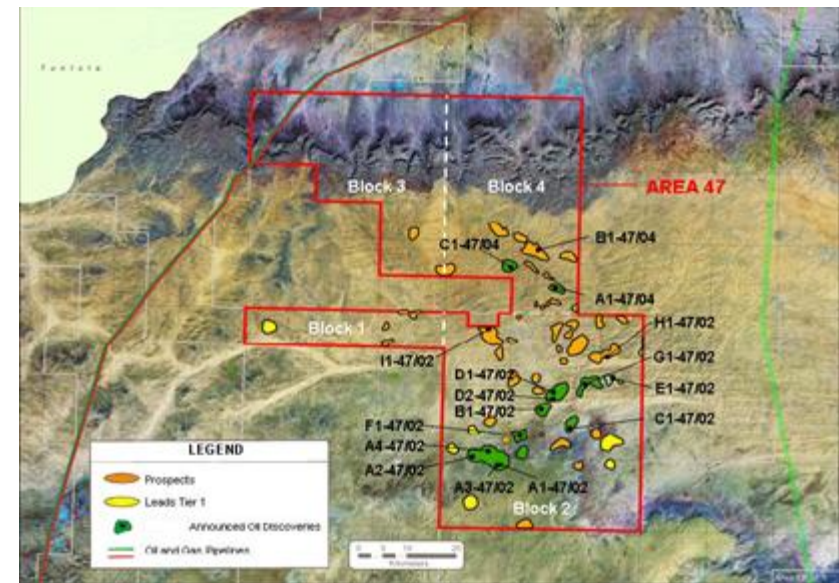


F100: LNG Jetty Area
- Piling works on Trestle & Jetty Head in progress
- Headstock concrete work for trestle in progress.

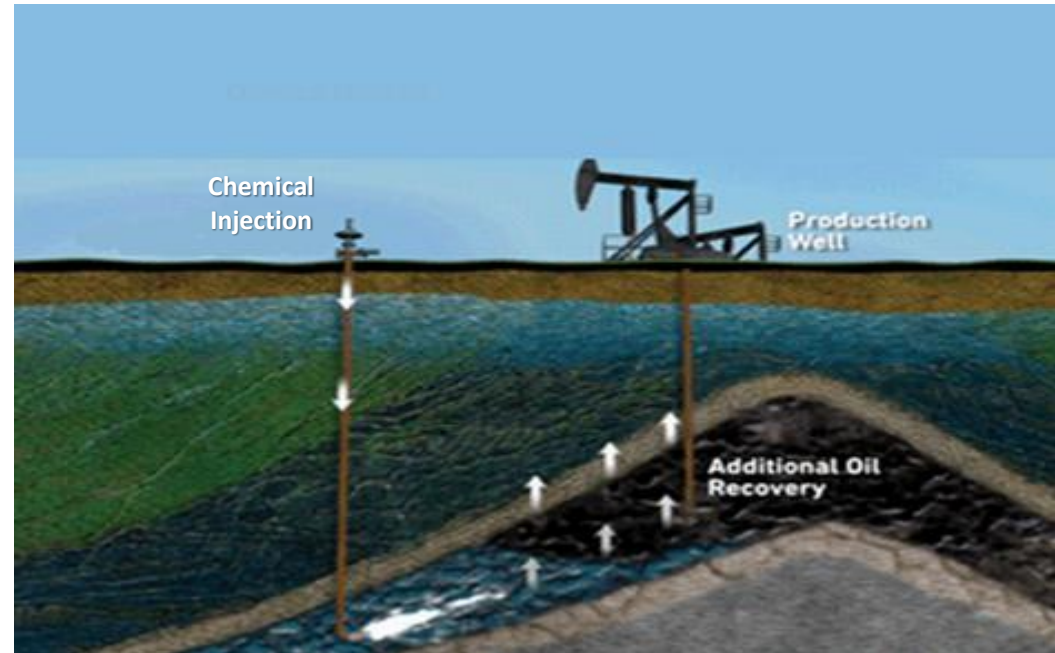
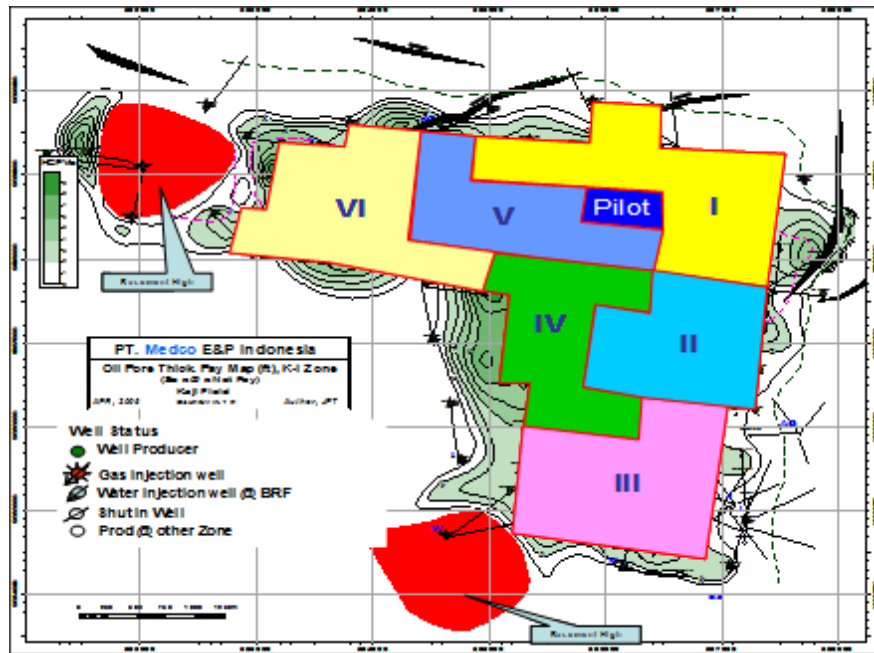


F200 : MOF Area
- Finishing and Punch works in progress

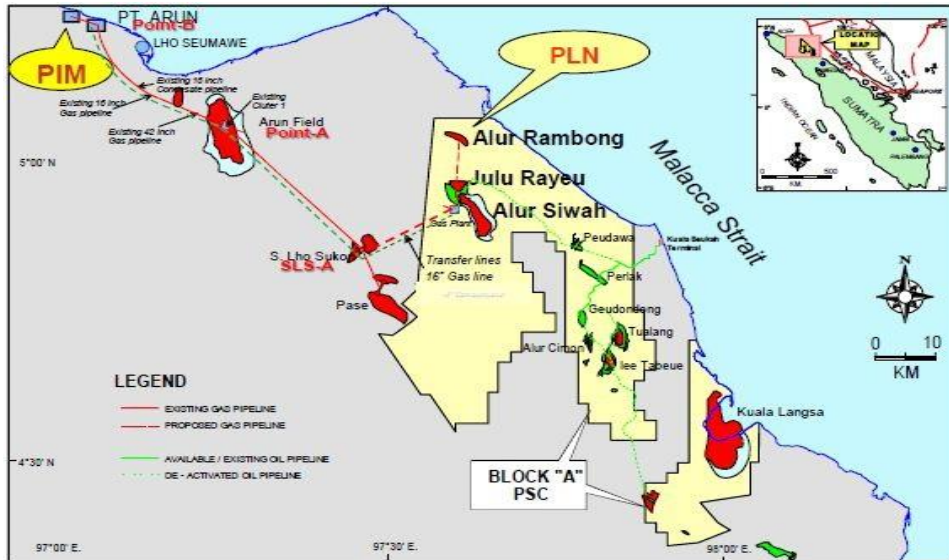




- ❖ Scope : Produce 50-100 MBOPD production facilities with associated pipelines
- ❖ Status :
 - Total 26 wells drilled, 20 exploration wells and 6 appraisal wells. 18 out of 20 exploration wells discovered oil/gas.
 - Successful exploration results, Contingent Resources increased by 2/3 from 352 MMBOE (D&M, Sept 2008) to 588 MMBOE (in-house estimates, Apr 2011);
 - Obtained Commerciality Declaration on 14 December 2011. Start Pre-Engineering Study update in June 2012.
 - Continue Joint Operation Agreement (JOA) and Shareholder Agreement (SHA) negotiation with National Oil Company (NOC) of Libya



- ❖ Objective: Increase oil production from existing reservoir using enhanced recovery technique (surfactant)
- ❖ Scope : Implementation of Chemical Flooding EOR project in Kaji Semoga to increase the recovery of oil in place by up to 60 MMBO starting 2015
- ❖ Status :
 - Started pre-flush activity in Dec 2011
 - Finalizing the plant to start Chemical Injection in July 2012
 - Capex will be internally funded from operation



- ❖ Scope:
2 x 60 MMSCFD gas plant and associated pipeline, to monetize 343 BCF of gross gas reserves; to supply state owned fertilizer company (PIM) and electricity company (PLN).
- ❖ Status:
 - EPC contract tender in continues, target to receive commercial submission from the bidders in June.
 - Land acquisition for CPP is 91% complete and continue progressing with the remaining land both CPP and pipeline.
 - Finalizing Facility Sharing Agreement (FSA) with Exxon Mobil and Service agreement with PT Arun and DJKN
 - Final Investment Decision is targeted on 3Q 2012
 - Matang-1 exploration contracts ready on track for spud target in 3Q-2012



This document contains certain results of operation, and may also contain certain projections, plans, strategies, policies and objectives of the Company, which could be treated as forward looking statements within the meaning of applicable law. Forwards looking statements, by their nature, involve risks and uncertainties that could cause actual results and development to differ materially from those expressed or implied in these statements. PT MEDCO ENERGI INTERNASIONAL TBK. does not guarantee that any action, which should have been taken in reliance on this document will bring specific results as expected.

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